



## Uniform Guidance Implementation Quick Guide

The U.S. Office of Management and Budget (OMB) has combined eight federal circulars into a single guidance document, Uniform Guidance or 2 CFR 200, for government-wide grants management policies and guidelines. These new regulations became effective December 26, 2014.

The chart below highlights significant changes that affect proposal budgets, subawards, and charging of direct costs. Not all changes are noted. If you have questions or need clarifications, be sure to contact the UM Office of Research and Sponsored Programs.

<b>ADMINISTRATIVE/ CLERICAL STAFF COSTS</b>	<i>Administrative and clerical salaries (in certain circumstance) and programmatic salary costs may be included on competitive proposal budgets.</i>
<b>Applicable UG Sections: 200.413 200.430</b>	<p>In general, administrative and clerical salaries should still <u>not</u> be direct charged. However, these salaries may be charged directly to a federal award if <u>all</u> of the following criteria are met and documented in the budget justification:</p> <ol style="list-style-type: none"> <li>1. Administrative or clerical services are integral to a project or activity;</li> <li>2. Individuals involved can be specifically identified with the project or activity;</li> <li>3. Such costs are explicitly included in the budget or have the prior written approval from the federal awarding agency; and</li> <li>4. The costs are not also recovered as indirect costs.</li> </ol>
<b>CONFLICT OF INTEREST</b>	Federal agencies are required to have policies on conflict of interest in Federal awards and requires non-Federal entities to disclose in writing any potential conflicts of interest (in accordance with applicable policies) to the Federal awarding agency or pass-through entity. Conflicts of interest in this part are specifically related to how decisions are made for selecting subrecipients or procurement contracts.
<b>Applicable UG Section: 200.112</b>	
<b>CONTRACTOR</b>	The term “vendor” was replaced with “contractor.” The terms vendor and contractor substantially have the same meaning.
<b>Applicable UG Section: 200.22 200.92 200.330</b>	A contract is for the purpose of obtaining goods and services and creates a procurement relationship with the contractor. A contractor relationship is created in instances where the entity is providing something that they regularly provide to others in the public market. The entire contract amount is subject to F&A.
<b>COST SHARING</b>	Voluntary committed cost sharing is not expected and cannot be used as a factor in merit review of the proposal. Federal agencies must require mandatory cost share or not consider it all.
<b>Applicable UG Section: 200.306</b>	

<b>CLOSEOUT</b>	All financial, performance and other closeout reports are to be submitted no later than 90 calendar days after the end of the date of the performance period.
<b>Applicable UG Section: 200.343</b>	There is a new emphasis on submission of technical reports within the 90 day period.
	<p>NSF &amp; NIH Awards:</p> <ul style="list-style-type: none"> <li>• There is a 120 day closeout requirement.</li> <li>• There is a new emphasis on submission of technical reports within 90 days.</li> <li>• Cash draw accounts will close at the end of the 120 day closeout window.</li> </ul>
<b>COMPUTING DEVICES (Under \$5,000 unit cost)</b>	<i>Computing devices can be included on competitive proposal budgets.</i>
<b>Applicable UG Sections: 200.33 200.48 200.89 200.439 200.453C</b>	<p>The Uniform Guidance clarifies that computing devices are generally considered “Supplies” and can be directly charged to federally sponsored projects. Any computing device costing more than \$5,000 should be treated as “Equipment.” Computing devices under \$5,000 per unit may be direct charged to the project under the following circumstances:</p> <ol style="list-style-type: none"> <li>1. The devices are essential* and allocable to the project in that they are necessary to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.</li> <li>2. The project does not have reasonable access to other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience or preference.</li> <li>3. Items costing more than \$5,000 per unit are considered equipment and follow federal equipment rules for when they can be direct charged.</li> </ol>
	<p>*PIs are responsible for determining whether the device is “essential” and to what extent the cost of the device is allocable to the sponsored project. PI's should provide documentation in the budget justification section of the proposal that describes how the proposed computing device meets the above requirements.</p>
<b>EQUIPMENT</b>	<p>The Uniform Guidance specifies that title for equipment acquired under a Federal award will vest upon acquisition in the non-Federal entity as a “conditional title”. This is new terminology for those non-Federal entities that have followed Circular A-110. There is no change intended in the Uniform Guidance for how non-Federal entities should account for equipment ownership. The concept of “conditional title” always has been in effect, and simply means that equipment ownership vests in the non-Federal entity at the time of acquisition and that it is contingent on meeting the requirements for use, management, and disposition of the equipment.</p>
<b>Applicable UG Section: 200.313</b>	<p>The requirements for property records have not substantively changed in the Uniform Guidance. The requirements for property records are meant to ensure that the non-Federal entity maintains an equipment inventory system that demonstrates the non-Federal entity has an effective system of controls to account for and track equipment that has been acquired with Federal funds.</p>

	<p>Non-Federal entities are not expected to change their equipment inventory systems or the data elements contained in those systems, if they are in compliance with the current requirements in Circular A-110.</p> <p>Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.</p>
<b>F&amp;A ON SUBAWARDS</b>	<i>The subrecipient's negotiated F&amp;A rate, or an alternative rate as described below, must be used for all subawards included in competitive proposals.</i>
<b>Applicable UG Section: 200.331</b>	If a federal program has a published statutory F&A cap, that rate must be used by UM and all of its subrecipients. For all other federal programs, if a subrecipient has a federally negotiated F&A rate, it must be used. If the entity does not have a negotiated F&A rate, a 10% de minimus F&A rate must be used instead. Pis may not negotiate or agree to lower rates with their subrecipients.
<b>FIXED PRICE/RATE SUBAWARDS</b>	<i>Prior approval is required by the awarding Federal agency to enter into fixed price/rate subawards, which may not exceed \$150,000.</i>
<b>Applicable UG Section: 200.332 200.201</b>	Federal agency prior approval is required to enter into a fixed price/rate subaward rather than a cost-reimbursement subaward, and the total value of each fixed price/rate subaward may not exceed \$150,000.
	The non-federal entity must certify in writing to the Federal awarding agency of pass-through entity at the end of the Federal award that the project or activity was completed or the level of effort was expended.
<b>INTERNAL CONTROLS</b>	The non-federal entity must maintain effective Internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
<b>Applicable UG Section: 200.303</b>	Increased emphasis on internal controls at all levels to ensure compliance with terms, conditions and regulations of the award.
<b>INSTITUTIONAL BASE SALARY</b>	Non-Federal entities should have clear high standards for maintaining a strong system of internal controls over their records to justify costs of salaries and wages, and also additional flexibility in the processes they use to meet these standards. This should allow them to be more accountable for these costs at less expense.
<b>Applicable UG Sections: 200.430</b>	Charges to Federal awards must be based on records that accurately reflect the work performed. In addition, the records must: <ul style="list-style-type: none"> <li>• Be supported by a system of internal control that provides reasonable assurance about the accuracy, allowability, and proper allocation of the charges.</li> <li>• Reflect the total activity for which the employee is compensated by the</li> </ul>

	<p>entity, not exceeding 100% of compensated activities, or Institutional Base Salary (IBS).*</p> <ul style="list-style-type: none"> <li>• Encompass both federally assisted and all other activities compensated by the institution on an integrated basis . i.e., reflect 100% of the employee’s activities.</li> <li>• Comply with the entity’s established accounting policies and practices.</li> <li>• Support the distribution of the employee’s salary and wages among specific activities or cost objectives if the employee works on multiple activities</li> </ul> <p>*IBS is defined as the annual compensation paid by an IHE for an individual’s appointment, whether that individual’s time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE. Unless there is prior approval by the Federal awarding agency, charges of a faculty member’s salary to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award.</p>
<p><b>PARTICIPANT SUPPORT COSTS</b></p> <p><b>Applicable UG Sections:</b> 200.75 200.456</p>	<p><i>Participant support costs can be included for funding agency approval on competitive proposal budgets.</i></p> <p>Participant support costs are allowable with funding agency prior approval. This includes stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects. Participant supports costs are not routinely allowed on research projects but can be charged if the project includes an education or outreach component and the agency approves such costs. These costs should be explicitly listed in the proposal budget or approved by the funding agency after the award has been made.</p>
<p><b>PERFORMANCE MEASUREMENT</b></p> <p><b>Applicable UG Sections:</b> 200.301</p>	<p>The Federal awarding agency must require the recipient to relate financial data to performance accomplishments of the Federal award.</p>
<p><b>PRIOR WRITTEN APPROVALS</b></p> <p><b>Applicable UG Section:</b> 200.308 200.407</p>	<p>Budget Revisions must receive prior approval. These include:</p> <ul style="list-style-type: none"> <li>• Changes in the amount of approved cost-sharing.</li> <li>• Transfer of funds budgeted for participants support costs to other categories of expense.</li> <li>• Subawarding, transferring, or contracting out of any work that was not described in the application and funded in the approved award, except for supplies, materials, equipment, or general support services.</li> </ul> <p>Disengagement from the project for more than three months or a 25% reduction in time devoted to the project by the approved project director or principal investigator requires prior approval. Disengagement refers to the level of the PI’s involvement with project activities, not the PI’s actual presence on campus.</p> <p>Other Modifications Requiring Pre-Approval are the Same. Modifications that continue to require pre-approval (under the OMB Circulars and the Uniform</p>

	<p>Guidance) are:</p> <ul style="list-style-type: none"> <li>• change in the scope or objective of the project;</li> <li>• change in key personnel specified in the application; and</li> <li>• the inclusion of costs that require prior-approval.</li> </ul> <p>Prior written approval for certain costs can be waived <u>by the agency</u>.</p>
<b>PROCUREMENT</b>	<p><i>Changes in allowable procurement methods add additional requirements.</i></p>
<b>Applicable UG Section: 200.317 - 326</b>	<p>The new procurement standards adopt the majority of the language used from Circular A-102, which previously applied to state and local governments.</p>
	<p>Overall, these reforms require the non-Federal entity to use its own documented procurement procedures which reflect applicable state and local laws and regulations, provided that the standards also conform to applicable federal laws and standards.</p>
<b>Effective: July 1, 2017</b>	<p>Five procurement methods are outlined in the Guidance (section 200.320):</p>
	<ol style="list-style-type: none"> <li>1. Micro-purchases – <i>This is the only new procurement method under this new guidance.</i> Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.</li> <li>2. Small purchase procedures – Includes purchases up to the Simplified Acquisition threshold, which is currently \$150,000. Informal purchasing procedures are acceptable, but price or rate quotes must be obtained from an adequate number of sources.</li> <li>3. Sealed bids (formal advertising) – Used for purchases over the Simplified Acquisition Threshold, which is currently \$150,000. Under this purchase method, formal solicitation is required, and the fixed price (lump sum or unit price) is awarded to the responsible bidder who conformed to all material terms and is the lowest in price. This method is the most common procurement method for construction contracts.</li> <li>4. Competitive proposals – Used for purchases over the Simplified Acquisition Threshold, which is currently \$150,000. This procurement method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors. A new requirement under this method is that the non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients.</li> <li>5. Noncompetitive proposals – Also known as sole-source procurement, this may be appropriate only when specific criteria are met.</li> </ol> <p>The federal government has approved a grace period for implementation for one</p>

	<p>full fiscal year after the effective date of the Uniform Guidance.  <b>UM's implementation date will be July 1, 2017.</b></p>
<p><b>PUBLICATION AND PRINTING COSTS</b></p> <p>Applicable UG Section:  <b>200.461</b></p>	<p>The non-federal entity may charge the Federal award before closeout for the costs of publication or sharing of research results if the costs are not incurred during the period of performance of the Federal award.</p> <p>If publication costs are not identifiable with a particular cost objective and not readily assignable to a particular sponsored project, they should be treated as indirect costs and not charged to a sponsored award.</p>
<p><b>SUBRECIPIENT</b></p> <p>Applicable UG Section:  <b>200.93</b></p>	<p>Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.</p>
<p><b>SUBRECIPIENT V. CONTRACTOR</b></p> <p>Applicable UG Section:  <b>200.330</b></p>	<p>A non-federal entity provides a <u>subaward</u> to a <u>subrecipient</u> for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship between the non-federal entity and subrecipient.</p> <p>A non-federal entity provides a <u>contract</u> to a <u>contractor</u> for the purpose of obtaining goods and services for the non-federal entity's own use and creates a procurement relationship between the non-federal entity and the contractor.</p> <p>What the document is called does not matter, the relationship is the basis for determining which requirements are applicable. The Uniform Guidance (200.330) requires that the University make case-by-case determination as to whether a party that is receiving “pass through” federal funds is a subrecipient or a contractor.</p>
<p><b>SUBRECIPIENT MONITORING</b></p> <p>Applicable UG Section:  <b>200.331</b></p>	<p>Institutions are required to perform a risk assessment of subrecipients prior to issuing the subaward in order to determine the appropriate level of monitoring. Considerations include:</p> <ul style="list-style-type: none"> <li>• Prior experience;</li> <li>• A-133/Uniform Audits;</li> <li>• New personnel or new or substantially changed systems; and</li> <li>• Monitoring by federal agencies.</li> </ul> <p>PI approval <u>is required</u> before paying a subrecipient invoice.</p>
<p><b>TRAVEL</b></p> <p>Applicable UG Section:  <b>200.474</b></p>	<p>If travel costs are charged directly to the federal award, the supporting documentation must justify that the participation of the individual is necessary to the federal project. Documentation should identify who is traveling, why the travel is necessary, and how it benefits the project. Travel must not exceed the least expensive unrestricted airfare offered by commercial airlines.</p>
<p><b>VENDOR</b></p> <p>Applicable UG Section:  <b>200.22</b></p>	<p>The term “vendor” was replaced with “contractor.” The terms vendor and contractor substantially have the same meaning.</p> <p>A contract is for the purpose of obtaining goods and services and creates a procurement relationship with the contractor. A contractor relationship is</p>

<b>200.92</b> <b>200.330</b>	<p>created in instances where the entity is providing something that they regularly provide to others in the public market. The entire contract amount is subject to F&amp;A.</p>
<b>VISA COSTS</b>	<p><i>Short-term travel visa costs can be included on competitive proposal budgets.</i></p>
<b>Applicable UG Section:</b> <b>200.463D</b>	<p>Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award and can be directly charged. They must be:</p> <ul style="list-style-type: none"> <li>• Critical and necessary (directly benefit) the project.</li> <li>• Considered allowable by the funding agency.</li> <li>• Consistent with University cost accounting policy and procedure.</li> </ul> <p>Typically, these visas allow employees and students to engage in field research or attend meetings in foreign locations, or allow foreign visitors to visit the University in support of the project.</p> <p>Long-term visa costs such as those that enable employment at the University (for example “J” and “H1B” visas) and fees associated with expedited processing are <u>not</u> allowable as direct charges.</p>